

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
12:30 P.M., Wednesday, May 28, 2003
Sheraton Mesa Hotel and Convention Center
200 N. Centennial Way
Mesa, Arizona 85201**

The State Transportation Board met in official session for a study session at 12:50 p.m., Wednesday, May 28, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, Joe Lane and Jim Martin. Si Schorr participated in the study session via teleconference. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; and Dale Buskirk, Acting Director, Planning Division. There were approximately 20 people in the audience.

PLEDGE

Chairman Radicke led the audience in the Pledge of Allegiance.

“Draft” Transportation Plan/Maricopa County–½-Cent Sales Tax Extension Overview Plan

Dennis Smith said in April of last year a Transportation Subcommittee, chaired by Keno Hawker, recommended the formation of a Transportation Policy Committee. He said the committee has since met a number of times and engaged the business community. He reported HB 2292 passed and is headed for a May 18 election, stating, therefore, they are working hard to get a transportation plan completed by September 30. He explained, as required by Federal Law, Mr. Anderson will present the Board with three alternatives scenarios for a 30 day review, after which a draft plan will be developed and subjected to a second 30 day review by the Board. He said the final plan will then be developed, taking into consideration all comments that have been made by the Board and other stakeholders.

Mr. Anderson reviewed the modeling scenarios, explaining they will eventually lead to a hybrid scenario representing the best of all three alternatives. He noted all of the scenarios are financially constrained to about \$17 billion. He pointed out Maricopa County has grown 45 percent each decade since 1960 and is expected to continue to grow from three million people in 2000 to 5.2 million by 2020 and 6.2 million by 2030. He said growth is expected to shift significantly to the west side and growth in the southeast valley is already spilling over into Pinal County. He reviewed a map depicting the distribution of current and future employment centers throughout the metro area.

Mr. Jeffers asked if they expect Reservation lands to build out fairly densely in terms of employment. Mr. Anderson responded yes, stating they may have actually underestimated the level to which the Salt River Pima Indian community will build out. He said, however, in terms

of residential, build-out will not be as dramatic because they do not want non-tribal members living on the Reservation.

Mr. Anderson explained they started with \$17.1 billion in regional funds, including the potential extension of the half-cent sales tax of \$8.3 billion and \$0.8 billion in 15 Percent Funds. He stated ADOT Discretionary Funds account for \$4.5 billion and 5307 and 5309 Transit Funds account for \$0.7 billion and \$1.6 billion, respectively. He stated MAG Surface Transportation Funds account for \$0.4 billion and Congestion Mitigation Air Quality Funds total \$0.8 billion.

Mr. Anderson explained Scenario A has a heavy emphasis on Freeways, while Scenario B has more money going into major arterial streets and limited access roadways and Scenario C places more emphasis on transit. He pointed out the percent growth in capacity miles under each scenario increases by two-thirds, which is significantly below the growth rate expected for vehicle miles traveled. He reviewed a series of Level of Service maps, discussing the impact each scenario is expected to have. He noted the transportation model was expanded to include most of Pinal County.

In conclusion, Mr. Anderson said the \$17 billion investment will reduce delay to approximately half of what it would have been. He said the freeway improvements proposed in Scenario A address future congestion and mobility and provides some additional facilities in outer reaches of the urban area. He stated HOV lanes and HOV ramp connections positively impact congestion and are important to transit. He said the percent increase in transit for Alternatives A and B was about proportional to the expenditure increase, but the doubled investment in Alternative C did not result in a proportional increase in ridership. He stated Scenario B operated well in terms of delay. He said the Transportation Policy Committee hopes to have a working version of the map by June 18.

Chairperson Radicke asked what percentage of the public do they anticipate will take public transportation. Mr. Anderson was unable to say, stating they have not yet performed those calculations. He pointed out even a five to 10 percent reduction in the number of cars on the freeway has a huge impact on congestion. Chairperson Radicke asked if there are plans to extend transit to Anthem. Mr. Anderson said the transit component of the plan focuses on regional routes, which would include Anthem.

Si Schorr joined the Study Session via telephone.

“Draft” State Bicycle Plan

Carol Slaker explained TEA21 recommends that bicycles and pedestrians be accommodated when planning and designing roadway projects. She said FHWA has provided further policy guidelines and recommends that bicycle and pedestrian facilities be incorporated into all transportation projects. She said the goal of their study was to provide a long range plan for a statewide system of interconnected bicycle and pedestrian facilities. She identified their study objectives, stating one of the main objectives was to incorporate local and regional bicycle and pedestrian plans into one document. She stated there was a lot of stakeholder involvement in the plan, noting a website was developed and will be continued throughout the life of the bicycle and

pedestrian program. She stated the Steering Committee had representation from over 40 organizations and divisions and held bi-monthly meetings to help guide development of the plan. She said the Review Committee is an extended group that kept involved through email. She stated all regional and district engineers throughout the state were contacted and submitted a lot of valuable feedback. She reported open house meetings were held in Phoenix, Tucson, Flagstaff, Prescott and Yuma, during which Bicycle and Pedestrian User Surveys were distributed. She noted they have received approximately 500 responses to those surveys to date.

Ms. Slaker explained during the first phase of the study they reviewed existing plans and conditions, while the second phase involved identifying bicycle and pedestrian networks. She said the third phase looked at ordinances throughout the state as well as safety, education, enforcement, marking, and cost estimates. She explained bicycle conditions were ranked on four factors, right shoulder width, traffic volume, percent of trucks, and speed limit. She said, based on that ranking, they came up with a bicycling condition score, explaining a score of 15 or more indicates a facility is more suitable for bicycles. She said they also looked at regional bicycling condition scores for local areas, as well as major bicycling events, when compiling the bicycle network map.

Ms. Slaker explained the bicycle network includes ADOT state highways, except where bicycles are prohibited, and regionally significant non-ADOT facilities. She said the user map compares the right shoulder width and traffic count data for ADOT facilities plus the location of non-ADOT facilities. She said they also looked at design guidelines, including bike lanes, bike routes, shared-use paths, pedestrian facilities, and pedestrian friendly development. She stated innovative traffic control devices were also researched. She said they also reviewed maintenance guidelines for existing bicycle and pedestrian facilities, existing ADOT bicycle policies, and existing codes and standards throughout Arizona that address bicycle parking, pedestrian access, helmet use, and bicycle riding laws.

Ms. Slaker stated they have looked at federal, state, regional and local funding sources, creating a table of different funding options, listing matching fund requirements, submission deadlines and contact information. She stated the implementation plan includes a combination of bicycle and pedestrian zoned roadway projects, where feasible; development of bicycle and pedestrian programs; construction of non-ADOT bicycle facilities by other agencies; bicycle and pedestrian specific projects by ADOT, including cost estimates; shared use paths in coordination with other agencies; cattle guard replacements; and shoulder widening projects. She said they hope to promote bicycle safety and educational guides, Bike To Work events and Safe Routes To School programs; coordinate statewide educational efforts and provide literature for use by other agencies; build enforcement strategies; and develop a bicycle user map.

Mr. Jeffers asked if they differentiated between recreational and occupational bicycle uses. Ms. Slaker said one of the objectives of the survey is to determine the number and types of users.

In response to Mr. Martin's question, Mr. Buskirk stated they would not likely recommend spending a large amount of money to improve facilities with high ADT's and percentages of truck traffic. Mr. Martin asked if the data is skewed in any way by special bike groups when a majority of the bike riding population is not involved in any organization. Ms. Slaker said they

tried to reach all users through the surveys, however, the scoring process focused on the state highway system.

Ms. Slaker said, in terms of the state highway system, most bicyclists are not concerned with designated bicycle routes, but appreciate wide, paved shoulders.

Mr. Schorr asked if the study is broken down by area or by county. Ms. Slaker said the maps take the entire statewide system into account, however, local and regional maps were incorporated. Mr. Schorr asked if the study identified the location of possible future bicycle paths. Ms. Slaker said the study identified where the limited funds could be used most wisely, including areas where shoulders are less than two feet wide and areas that are contiguous to existing bicycle facilities. Mr. Schorr asked if the study addressed standards for shared use facilities. Ms. Slaker said the study includes some standards and guidelines pertaining to shared use paths, however, they only looked at paths that impacted the state highway system.

In response to Mr. Lane's question, Ms. Slaker explained the parallel rungs of the cattle guards present a hazard to bicyclists and need to be replaced with more bicycle friendly guards.

Mr. Buskirk said, while there have been some who have criticized ADOT on the grounds of being uni-modal, the proposed bicycle and pedestrian program will belie that criticism. He emphasized that ADOT has been and continues to be a multi-modal transportation agency.

Canamex – Route Designation Study

Dale Buskirk explained federal statute defined the CANAMEX Corridor as I-19 from the international boundary with Mexico to I-10, I-10 to the metropolitan Phoenix area and US 93 connecting to I-15 in Las Vegas. He pointed out the designation was ambiguous as it applied to the metropolitan Phoenix area, stating, therefore, ADOT, in conjunction with MAG and MCDOT, undertook a study to look at designation of the corridor. He said they reduced the number of alternatives to three, but had to put the study on hold due to issues with the Wickenburg bypass. He said the issues have since been resolved and ADOT, MAG and MCDOT are in agreement that the study should be started once again. He said there were also issues regarding development of the Buckeye area, therefore, he will meet with the Mayor of Buckeye and the Mayor of Wickenburg to discuss whether or not the study should be restarted. He stated if all major stakeholders agree, they will continue through the technical analysis and present the study recommendations to the Transportation Committee of the Governor's CANAMEX Task Force. He said the study will then be sent to the Full Governor's CANAMEX Task Force who will forward a recommendation to the State Transportation Board. He pointed out that, in addition to designating a CANAMEX Corridor through the metropolitan Phoenix area, there would also be a political following because the corridor is defined in federal statute.

Chairperson Radicke announced Mr. Hileman was appointed to the CANAMEX Task Force.

Chairperson Radicke asked if designation in the metropolitan Phoenix area will make a difference on the monies ADOT receives. Mr. Buskirk said, given Mr. Mendez's very effective

lobbying during Reauthorization Summit and assuming continued support for a Borders and Corridor's Program, the designated routes will be eligible for borders and corridor's funding.

Mr. Gant pointed out other agencies, including MAG, are pursuing designation independently. He said ADOT needs to make its decision with regard to the route as soon as possible. Mr. Buskirk noted he spoke with Tom Buick who reported Maricopa County voted no on the designation of the CANAMEX through Maricopa County. He said, however, Mr. Buick is amenable to reassessing the county's position.

Mr. Schorr asked if the decision is subject to any timing constraints. Mr. Buskirk explained plans are being made by some jurisdictions within Maricopa County that relate to their designation of the CANAMEX Corridor. Mr. Schorr asked who makes the decision as to the ultimate alignment. Mr. Buskirk said Congress has ultimate authority because the corridor is designated in federal statute, however, the State Transportation Board is responsible for making a single recommendation to Congress.

FY 2004-2008 Tentative 5 Year Financial Plan

John McGee explained there are still ongoing issues that could impact overall funding for the 5-Year Program, therefore, the plan is considered preliminary at this point. He said the program totals \$3.7 billion, with 51 percent going to System Improvements, 19 percent going to System Preservation, eight percent going to System Management and 22 percent representing the MAG Life Cycle Program. He stated the \$800 million MAG program represents about \$34 million in right-of-way acquisition, \$22 million in design and \$755 million in construction. With regard to the Statewide Program, Mr. McGee said they do an annual financial plan, the program is managed on a cash flow basis, and modeling is done using a macro model. He identified the Statewide Program's major funding sources as State Highway Funds, Federal Funds, HURF Bonds and HELP Funds. He said they anticipate receiving \$6.27 billion in HURF Revenue and \$2.59 billion in discretionary funds. He stated 55 percent of the discretionary funds will be used to pay for ADOT's operating program, 20 percent will go toward debt service, 19 percent will go to the Capital Program, two percent goes toward L,B&I and four percent is set aside for DPS. He said 75 percent of the \$2.36 billion in Federal Funds are available for the statewide program, while MAG receives 14 percent and PAG receives three percent. In addition to the federal funds and discretionary funds, Mr. McGee stated they also anticipate selling approximately \$44 million in HURF bonds and \$60 million in HELP loans for a total of \$2.76 billion available for the Five Year Program. He reviewed recommended, expected and worst case cash balances for the years 2004 through 2008. He explained the expected payout curves are based on the past two or three years' payout history, while the worst case payout curves assume projects are completed sooner than expected. He pointed out both scenarios are run using both 90 and 95 percent obligation levels. He said, based on the scenarios, he is fairly confident they can do the Five Year program without running out of money. He also discussed this year's estimated debt issues as compared to their estimates one year ago.

Mr. McGee explained the MAG program does semi-annual certifications, noting the last one was published in January 2003. He said financial planning is done on a cash flow basis and follows a micro model. He stated the MAG Program is expected to receive \$2.16 billion over the Five

Year Program, identifying the major funding sources as State Highway Funds, federal funds, RARF funds, HURF bonds, GANS and HELP funds. He said 51 percent of the funds will be used for debt service, 43 percent is expected to go toward construction, five percent will go towards right-of-way acquisitions and one percent is set aside for design. He reviewed the recommended and expected cash balances, stating they will be comfortably over the guideline for FY 2004, 2005 and 2006 and essentially at the guideline for FY 2007 and 2008. Mr. McGee stated they anticipate issuing \$80 million in additional HURF debt this year, \$20 million in 2007 and \$30 million in 2008. He said they also anticipate issuing a total of \$250 million in Grant Anticipate Notes over the five year period.

Mr. McGee reviewed the combined estimated debt issues for the statewide and MAG programs, stating they anticipate approximately \$573 million in HURF debt and \$250 million in GANS for a total of \$823 million. He noted they expect to pay back \$1.121 billion in debt service payments over the same time period.

Mr. McGee explained the plan is based on the executive budget plan and assumes all HURF bonding capacity will be used to balance the program. He said the plan also assumes a 4.2 percent HURF growth rate, a 3.6 percent Federal Funds growth rate, and a 2.8 percent Operating Budget growth Rate. He said, for the first time in the past two or three years, he sees some upside potential, explaining that state operating funds have been coming in better than projected, therefore, there is some potential for being able to re-borrow the \$200 million of BFOs. He pointed out all of his estimates assume the BFOs will not be re-borrowed once repaid in 2004. He said extension of the Maricopa County sales tax also adds potential funding. On the other hand, Mr. McGee said the sustained lag in the economic upturn, higher DPS funding allocations and pressure to redirect the VLT beyond 2004 are all potential downsides.

Mr. McGee summarized his remarks stating the estimated cash flow balances for the Statewide Program are close to guidelines at both 90 percent and 95 percent program delivery levels and the estimated worst case balances produce a positive cash flow. With regard to the MAG cash balances, he said the estimated cash balances are at or near guidelines every year and, based on the January certification and preliminary figures for the July certification, a 2007 completion date is still attainable.

“Draft” of the “Statewide Transportation Policy Statement

Mr. Buskirk said, by state statute, the Board must approve the Statewide Multimodal Transportation Planning Processes prior to July 1, 2003. He noted the document does not address policy because the Board’s policies, which were adopted separately, stand. He explained the processes dictate the types of studies and analyses the Department conducts and the document outlines the performance measures, factors and data collection standards to be used.

Chairperson Radicke pointed out maintenance of the system was not included as a performance measure. Mr. Buskirk explained maintenance will be covered under system reliability.

Mr. Buskirk said, in addition to specifying the performance factors, the statute requires that they identify the data sources. He reviewed the various data sources they will rely on when obtaining

data concerning demographics, infrastructure conditions, traffic, modal ridership, freight, and accidents. He reviewed the statewide planning standards, pointing out there is a minimum 20 year planning horizon. He said state highway projects must be identified by milepost and public involvement requires a minimum of two public meetings.

Adjournment

No closing comments were made.

Board Action: A motion to adjourn was made, seconded and passed unanimously.

The meeting adjourned at 3:15 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, ADOT Director